

March 7, 2006

VIA HAND DELIVERY & ELECTRONIC MAIL

Ms. Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

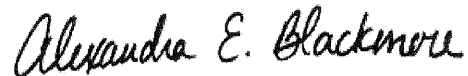
Re: DM 05-172; Responses of Granite State Electric Company d/b/a National Grid to Staff's Third Set of Data Requests

Dear Ms. Howland:

I am enclosing for filing the responses of Granite State Electric Company d/b/a National Grid to Staff's third set of data requests in the above-captioned proceeding. I have also submitted these responses electronically to the email list in this proceeding.

Please feel free to contact me at (508) 389-3243 with any questions.

Very truly yours,



Alexandra E. Blackmore

enclosures

cc: F. Anne Ross, Esq.
Suzanne Amidon, Esq.
Donald Pfundstein, Esq.
Service List (via electronic mail)

SCANNED
DATE 3/7/06

Request 3-1

Request:

- All:** By work area and for the years 2000-2005 inclusive, please supply the yearly average of:
- a) The number of poles you are responsible for.
 - b) The number of poles in inventory by length and class
 - c) The total number of new poles set each for maintenance replacements, new construction requests by customers, and new construction/replacements for public works projects.

Response:

a) As of December 2005, National Grid was responsible for (owned) 35,411 poles in New Hampshire. The breakdown of poles by height is:

b) The breakdown:

| Unit Description | Quantity |
|------------------------------|----------|
| POLE, METAL, 30' & UNDER, JO | 87 |
| POLE, METAL, 31' - 40', SO | 3 |
| POLE, WOOD, 30' & UNDER, JO | 3612 |
| POLE, WOOD, 30' & UNDER, SO | 1033 |
| POLE, WOOD, 31' - 40', JO | 26509 |
| POLE, WOOD, 31' - 40', SO | 2131 |
| POLE, WOOD, 41' - 50', JO | 1358 |
| POLE, WOOD, 41' - 50', SO | 404 |
| POLE, WOOD, 51' - 60', JO | 33 |
| POLE, WOOD, 51' - 60', SO | 79 |
| POLE, WOOD, 61' - 70', JO | 3 |
| POLE, WOOD, 61' - 70', SO | 7 |
| POLE, WOOD, 71' - 80', SO | 2 |
| TOWER, METAL, 51' - 100' | 150 |
| | 35411 |

Note: National Grid accounting records do not record pole class.

Request 3-1

Response: (con't)

c) National Grid does not readily have information that distinguishes pole sets between maintenance, new construction or public works projects. We have provided pole set information with respect to "plant added" and "plant retired" in calendar years 2004 and 2005. Business system changes in 2004 do not allow for ready recovery of "plant added" and "plant retired" during the period 2000 through 2003.

| | Calendar Year | | | | | |
|--------------------------------|---------------|--------|--------|--------|--------|--------|
| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| Total # of National Grid Poles | 33,339 | 33,935 | 34,080 | 34,271 | 35,285 | 35,411 |
| New Poles "added" to plant | note#1 | Note#1 | note#1 | note#1 | 423 | 385 |
| Poles "retired" from plant | note#1 | Note#1 | note#1 | note#1 | 289 | 260 |

Note#1 - information not readily available

Request 3-2

Request:

All: When you set a new pole for new construction, a new pole for construction of public works projects and a new pole beside an existing pole as a maintenance project, please describe the accounting process used for placement into rate base.

Response:

When setting a pole for new construction or beside an existing pole for replacement the normal accounting process is to debit plant in-service and to credit cash for the material, labor and overheads associated with the construction.

Request 3-3

Request:

All: For the same conditions as stated in Request #3 above, please describe your process for removing poles from rate base.

Response:

The retirement of a pole results in a debit to the accumulated reserve for depreciation and a credit to plant in service at the original installed cost of the pole. Accordingly, there is no impact on rate base as the plant is considered to be fully depreciated at the time of retirement.

Request 3-4

Request:

All: For the years 2000 through 2005 inclusive, please supply by work area:

- a) The number of line/construction (not repair or installation) crews assigned to New Hampshire at the beginning of the year
- b) The percentage of their time budgeted to New Hampshire
- c) The percentage of their time charged to New Hampshire at year end.

Response:

| | | | |
|--------------------------|-----------------------------|---------|---------|
| a) 2000 – Three garages: | Salem, NH – 4 Crews | b) 100% | c) 100% |
| | Lebanon, NH – 4.5 Crews | b) 100% | c) 100% |
| | Charlestown, NH – 1 Crew | b) 100% | c) 100% |
| a) 2001 – Three garages: | Salem, NH – 4 Crews | b) 100% | c) 100% |
| | Lebanon, NH – 4 Crews | b) 100% | c) 100% |
| | Charlestown, NH 1 – Crew | b) 100% | c) 100% |
| a) 2002 – Three garages: | Salem, NH – 4 Crews | b) 100% | c) 100% |
| | Lebanon, NH – 4 Crews | b) 100% | c) 100% |
| | Charlestown, NH 1 – Crew | b) 100% | c) 100% |
| a) 2003 – Three garages: | Salem, NH – 4 Crews | b) 100% | c) 100% |
| | Lebanon, NH – 4 Crews | b) 100% | c) 100% |
| | Charlestown, NH 1 – Crew | b) 100% | c) 100% |
| a) 2004 – Three garages: | Salem, NH – 3.5 Crews | b) 100% | c) 92% |
| | Lebanon, NH – 4 Crews | b) 100% | c) 100% |
| | Charlestown, NH 1 – Crew | b) 100% | c) 100% |
| a) 2005 – Three garages: | a) Salem, NH – 3.5 Crews | b) 100% | c) 92% |
| | a) Lebanon, NH – 3.5 Crews | b) 100% | c) 100% |
| | a) Charlestown, NH 1 – Crew | b) 100% | c) 100% |

Request 3-5

Request:

Verizon only:

- a. Upon receipt of a proper notification from a joint owner regarding new construction and a request to set a pole in Verizon's maintenance area, if Verizon is unable to respond to the request in a timely manner (i.e., within 60 days of receipt of the request) would Verizon allow the joint owner to set the pole and bill Verizon? If yes, how should the cost of this service be established? If no, why not? How long would the joint owner have to wait, after a proper notification, before Verizon would allow them to set the pole?
- b. If the time required for Verizon to respond to the request was in excess of 60 days, and such delay was the direct and sole cause to the other joint owner of additional costs, would Verizon accept any responsibility for these costs? If not, why not? How long would the delay have to be, and how often would such delays have to occur, before Verizon would agree to accept financial responsibility for costs of the delay?

Response:

Verizon only.

Request 3-6

Request:

All: Do your individual pole setting objectives (response to Staff 1-34) include loading the pole and travel time?

Response:

Yes, our individual pole setting objectives do include loading the pole(s) and travel time.

Request 3-7

Request:

All: What is the average time it takes for a work order for a single pole to be written, issued, scheduled and set in your maintenance area, and are there intervals between any of the functions listed that make estimating an average difficult or impossible?

Response:

There are a number of steps and requirements that need to be met prior to the actual installation of a pole that make estimating an average difficult. Once all of these requirements are met it typically takes one to four weeks on average to set the pole.

Request 3-8

Request:

Verizon only: What can you do to reduce the long lead times required to set poles in your maintenance areas?

Response:

Verizon only:

Prepared by or under the supervision of:

Request 3-9

Request:

All: For the years 2000 through 2005 inclusive, has any entity on which you depend to set poles for what you would consider normal work, delayed your requested installation schedules? If so, please list each occurrence by year and the duration of each delay.

Response:

National Grid experiences occasional delays in our normal work waiting for pole sets by our joint owner, Verizon New England, Inc. We do not keep specific records identifying when work has been held up in this way or for how long. A few recent examples of such delays are:

1. 2004 – Old Settlers Rd Alstead, 3 months
2. 2004 – Laclair Rd Walpole, 6 months
3. 2005 – Alstead Ctr. Rd Alstead, 3 months
4. 2005 - Old Keene Rd. Walpole, 2 months
5. 2005 – Wentworth Rd Walpole, 2 months
6. 2005 – Rope Ferry Rd Hanover, 8 months
7. 2005 – Ledge Rd Hanover, 5 months
8. 2005 – Mourlyn Ave Hanover, 4 months
9. 2005 – Ibey Rd Enfield, 3 months
10. 2005 – Boys Camp Rd Enfield, 3 months

Request 3-10

Request:

All: With regard to transferring equipment to a new pole from an existing location, please describe the process on how you include third party (defined as all others except electric and telephone) entities into the process. As part of your response, describe any problem areas encountered.

Response:

When a jointly owned pole is replaced, all parties, pole owners and third parties, attached to the existing pole are notified by the joint owner that installs the new pole. The joint owner installing the pole makes this notification using a Joint Construction Notice. This process and the form are in Inter-company Operating Procedure O (IOP O), which has already been supplied as Exhibit 1-21A in National Grid's response to question 1-21 in Staff's First Set of Data Requests. After this notification, each party is responsible for transferring its own facilities from the existing pole to the new pole. Under the joint ownership agreement between Granite State Electric Company and Verizon New England, Inc., it is the "responsibility of the last co-owner transferring to expedite the transferring of any attachments such as" third party attachments. *IOP B3.*

One problem that occurs with this process is that a failure of any attached party to make its transfer in a timely manner will not become readily or rapidly apparent.

Request 3-11

Request:

All: Please supply your policy regarding the lashing of your facilities to other facilities owned by you and other facilities owned by others to maintain National Electrical Safety Code clearance requirements.

Response:

National Grid does not lash to another entity's facilities. Further, National Grid does not authorize other entities to lash their facilities to National Grid facilities.

With regard to National Grid lashing to our own facilities – typically National Grid's facilities positioned at different levels on a pole operate at different voltages. Lashing these facilities together is not allowed.

Request 3-12

Request:

Verizon only: In several operating agreements with the electric companies, Verizon is responsible for removing a pole in the electric company maintenance area once it has been notified of the electric company transfer and more than 60 days have elapsed. Of the 2149 outstanding poles to be removed in the electric maintenance area (response to Staff 1-15), please estimate how many poles will Verizon be removing due to the conditions described above?

Response:

Verizon only.

Request 3-13

Request:

Verizon only: Does the 60-day clock described in the question above start when the electric company has transferred and sent you notice, or does it start when all of the licensees have completed transfers?

Response:

Verizon only.

Request 3-14

Request:

Verizon only: Do you find that few, many or most pole replacements present the need to notify licensees to transfer at the time Verizon is ready to transfer? Please support your answer with any data or studies.

Response:

Verizon only.

Prepared by or under the supervision of:

Request 3-15

Request:

All: Do your pole inventories contain records of which licensees are attached to your poles? If yes, please provide the information.

Response:

National Grid has pole attachment records for each Licensee; a sample page of a Licensed Attachment Report has been provided, (See attachment 3-15.) National Grid does not have details with regards to joint owner or municipal attachment records.

National Grid has not submitted detailed reports identifying the 15,500 licensed pole attachments in New Hampshire due to proprietary competitive information of communication companies.

Ngrid Sample Report Licensed Pole Attachments

Attachment 3-15

| Ngrid Co | Ngrid Operating Area | Agreement | permit # | Town code | Route # | Pole # | rent suffix | pole type | owner | street | suffix |
|----------|----------------------------|-----------|----------|--------------|---------|--------|----------------|--------------|-------|---------------|--------|
| 5 | 9 | 9401 | 11021 | 511 | 24 | 13 | 0 | 1 | 1 | BROWN STREET | YA |
| 5 | 9 | 9401 | 11021 | 511 | 176 | 3 | 2 | 1 | 2 | TREMONT-NORTH | ST |
| 5 | 9 | 9401 | 11021 | 511 | 312 | 15 | 0 | 1 | 1 | NO 1 FEDR-BRN | ST |
| 5 | 9 | 9401 | 12271 | 511 | 24 | 14 | 51 | 1 | 1 | BROWN STREET | YA |
| 5 | 9 | 9401 | 30081 | 511 | 122 | 89 | 4 | 1 | 2 | MOHAWK | TR |
| 5 | 9 | 9401 | 30081 | 511 | 1152 | 1 | 0 | 1 | 2 | UNKNOWN | |
| 5 | 9 | 9401 | 30081 | 511 | 1152 | 1 | 0 | 1 | 2 | UNKNOWN | |
| 5 | 9 | 9401 | 30083 | 511 | 122 | 89 | 2 | 1 | 2 | MOHAWK | TR |
| 5 | 9 | 9401 | 30321 | 579 | 1055 | 2 | 0 | 1 | 2 | CROSS | RO |
| 5 | 9 | 9401 | 30321 | 579 | 1055 | 3 | 0 | 1 | 2 | CROSS | RO |
| 5 | 9 | 9401 | 30321 | 579 | 1055 | 4 | 0 | 1 | 2 | CROSS | RO |
| 5 | 9 | 9401 | 30321 | 579 | 1055 | 5 | 0 | 1 | 2 | CROSS | RO |
| 5 | 9 | 9401 | 30321 | 579 | 1055 | 6 | 0 | 1 | 2 | CROSS | RO |
| 5 | 9 | 9401 | 30321 | 579 | 1055 | 7 | 0 | 1 | 2 | CROSS | RO |
| 5 | 9 | 9401 | 30321 | 579 | 1055 | 8 | 0 | 1 | 2 | CROSS | RO |
| 5 | 9 | 9401 | 30321 | 579 | 1055 | 9 | 0 | 1 | 2 | CROSS | RO |
| 5 | 9 | 9401 | 30321 | 579 | 1055 | 10 | 0 | 1 | 2 | CROSS | RO |
| 5 | 9 | 9401 | 30321 | 579 | 1055 | 11 | 0 | 1 | 2 | CROSS | RO |
| 5 | 9 | 9401 | 30321 | 579 | 1055 | 12 | 0 | 1 | 2 | CROSS | RO |
| 5 | 9 | 9401 | 30321 | 579 | 1055 | 13 | 0 | 1 | 2 | CROSS | RO |
| 5 | 9 | 9401 | 30321 | 579 | 1055 | 14 | 0 | 1 | 2 | CROSS | RO |
| 5 | 9 | 9401 | 30321 | 579 | 1055 | 15 | 0 | 1 | 2 | CROSS | RO |
| 5 | 9 | 9401 | 30321 | 579 | 1055 | 16 | 0 | 1 | 2 | CROSS | RO |
| 5 | 9 | 9401 | 30321 | 579 | 1055 | 17 | 0 | 1 | 2 | CROSS | RO |
| 5 | 9 | 9401 | 30321 | 579 | 1055 | 18 | 0 | 1 | 2 | CROSS | RO |
| 5 | 9 | 9401 | 30321 | 579 | 1055 | 19 | 0 | 1 | 2 | CROSS | RO |

Request 3-16

Request:

All: Do you require licensees to tag their facilities on a pole? Do you enforce the policy? Please describe your enforcement procedures.

Response:

National Grid's license agreements have always had a requirement that licensees tag their facilities. Agreements signed until about five years ago required that licensees place tags on their facilities at every fifth pole. Newer agreements require that licensees place tags on their facilities at every pole. We have generally enforced this requirement through post-construction reviews. In general, initial compliance is good, but National Grid does not do later inspections to ensure that the tags remain in place, in good condition and reflect current ownership after acquisitions and mergers.

Request 3-17

Request:

Electric only: Do you notify licensees that poles are ready to transfer or do you rely on Verizon to do so?

Response:

Please see our response to Request 3-10. We rely on Verizon to notify all parties attached to the existing pole when Verizon installs the new pole. When National Grid installs the new pole, we notify all parties attached to the existing pole.

Request 3-18

Request:

All: Are you satisfied with your current transfer notification process or can it be improved? Do you think it would be beneficial to establish an electronic transfer notification database shared between pole owners and licensees?

Response:

In general, National Grid is satisfied with the current transfer notification process, but like any business process it can be improved. National Grid has experience with an electronic notification database shared between pole owners and third parties attached to poles with mixed results. Where all attached parties, electric, telephone, cable operators, other telecommunications service providers and municipal fire alarm signal systems, actively participate in the operation of such a system, it is useful in managing transfers. Where even one of these parties fails to participate or is unreliable or untimely in updating its information, the system rapidly becomes a source of confusion requiring repeated trips to poles to update information. Under these circumstances, pole owners can spend more time verifying and updating information in the system than can be saved by using the information. National Grid's experience indicates that an electronic notification system can be beneficial, but only if all attached parties, electric, telephone, cable operators, other telecommunications service providers and municipal fire alarm signal systems actively participate in the operation of the system.

Request 3-19

Request:

Verizon only: What other methods or processes can be introduced to reduce the time it takes to transfer and remove a pole?

Response:

Verizon only.

Prepared by or under the supervision of:

Request 3-20

Request:

Verizon only: Verizon had an agreement with the NHPUC Staff where it agreed to remove 400 more poles from its system backlog than the number of new poles set on its system including replacements and new construction. For each year beginning with the first year of the agreement through 2005 inclusive, please supply the total number of new poles set for all reasons and the number of poles removed. If in any year, the number of poles removed does not meet the 400 more than installed requirement, please explain why the agreement was not met. As part of your response, please include any efforts in the following year to "make up the difference".

Response:

Verizon only.

Request 3-21

Request:

All: For the years 2000 through 2005 inclusive, please list all the public works jobs where poles were not removed, set, or moved in the time frame originally requested. As part of your response state how late the requested work was and the reason for the delay.

Response:

National Grid experiences occasional delays in our public works jobs waiting for pole sets by our joint owner, Verizon New England, Inc. We do not keep specific records identifying when work has been held up in this way or for how long. A few recent examples of such delays are:

1. 2004 - Heater Rd Lebanon - still waiting for telco to complete transfer work - 6 mos
2. 2004 - Spring St Lebanon - pole still in the road, not transferred
3. 2005 - Rte. 4A Lebanon- still waiting for transfer work - 6 mos.